



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.nj.gov/bpu/

CLEAN ENERGY

ORDER

IN THE MATTER OF AWARDING A RECOVERABLE
GRANT IN THE RENEWABLE ENERGY BUSINESS
VENTURE ASSISTANCE PROGRAM TO BE ISSUED
THROUGH THE NEW JERSEY ECONOMIC DEVELOPMENT)
AUTHORITY (NJEDA) TO EPV SOLAR, INC. AND OCEAN)
POWER TECHNOLOGIES, INC.)

Docket Nos. EO08010010
and EO08010019

(SERVICE LIST ATTACHED)

BY THE BOARD:

This Order memorializes actions taken by the New Jersey Board of Public Utilities (Board) at its February 1, 2008 Agenda Meeting.

In October, 2005, the Office of Clean Energy (OCE) of the Board of Public Utilities (Board) issued a grant solicitation under the Renewable Energy Business Venture Assistance program. The Renewable Energy Business Venture Assistance program offered demonstration and recoverable grants. The Business Venture Assistance program had a pre-proposal meeting on December 1, 2005 and accepted applications for grants through December 30, 2005. Recoverable grant applications were accepted as long as funds were available.

This program is designed to serve as a vehicle for the advancement of near-term commercially viable, Class I Renewable Energy technologies and services offered by participants in the New Jersey clean energy marketplace. Deficiencies in the federal effort to promote renewable energy research heighten the imperative of this program for New Jersey's renewable energy business infrastructure. One half of the program's funding, for a "demonstration grant program", was available in the form of grants for applicants with development, deployment, and demonstration projects related to renewable energy products and systems. According to the solicitation approved by the Board, these funds were intended to be competitively awarded without expectation for repayment. The remainder of the program budget, for a "recoverable grant program," was made available in the form of recoverable grants for applicants with commercialization projects related to renewable energy products, services or systems. These funds were intended to be competitively awarded with provisions made for repayment once the business begins generating revenue.

Eighteen proposals were submitted in response to the October 21, 2005 solicitation. Eight proposals were determined by staff to be non-responsive to the minimum requirements listed in the solicitation. The proposals that were eliminated from consideration were judged not to have

met the solicitation criteria or ranked low by the evaluation team and BPU staff. The major reason for a determination of non-responsiveness to the solicitation was inadequate matching funds pledged in the proposal.

Ten proposals were found to be responsive to the solicitation and evaluated through a technical evaluation process which included a review team comprised of the NJ Economic Development Authority, the NJ Department of Environmental Protection, and representatives of the New Jersey Clean Energy Program's Renewable Energy Market Manager. Of the ten proposals reviewed for technical merit, two were recommended by the evaluation team and subsequently submitted to the New Jersey Economic Development Authority for a business and financial review and recommendation on award.

On January 31, 2006 EPV Solar, Inc. (Formerly Energy Photovoltaics, Inc.) submitted a proposal entitled "Reducing the Cost New Thin Film Photovoltaics Products for use in Building Integrated Photovoltaics (BIPV)." requesting a \$499,795 recoverable grant. On April 11, 2006, Ocean Power Technologies, Inc. (OPT) submitted a proposal entitled "Advanced Wave Power Take-Off Demonstration" requesting a \$500,000 recoverable grant. In January 2008, the NJEDA recommended funding of the EPV Solar, Inc. and Ocean Power Technologies, Inc. proposals.

On December 20, 2007, in the matter of the 2008 Programs and Budgets, the Board approved funding for this program at \$3.2 million. A Summary Order approving the 2008 programs and budgets was issued on January 2, 2008.

These projects will contribute to the goals and objectives established by the Legislature under the Electric Discount and Energy Competition Act of 1999 and the Governor's Renewable Energy Task Force, which calls for 300 MW of Class I renewable energy to be installed by 2008.

Discussion and Findings

In considering the eligibility of these projects for funding under this program, the Board looks first to the contribution they will make to distributed generation using renewable energy. The award of financing to these projects of recoverable grants is designed to promote the commercialization of Class I Renewable Energy technology or services with an intention of grant repayment from the anticipated project revenue stream. Staff believes that recoverable grants offer an opportunity for establishing a revolving fund for commercialization of technologies integral to the accomplishment of the market transformation goals established in the Electric Discount and Energy Competition Act of 1999.

The award of the funding to these winning proposals will complement the NJBPU Office of Clean Energy existing renewable energy incentives, which fund the installation of renewable energy generation. These awards will be utilized to advance the renewable energy business infrastructure necessary to deliver to the marketplace cost-effective renewable energy technologies and services. This funding is geared to bringing innovative products to the market and reducing the cost of renewable energy technologies.

The award of the funding to these winning proposals will be used to assist in the wide scale deployment of renewable energy systems, which will mean cleaner air, additional peak load generation and greater system reliability.

Staff recommends awarding the following organizations with recoverable grants and directs staff to finalize the contract terms with the NJEDA for the recoverable grants.

EPV Solar, Inc.	\$499,795.00
Ocean Power Technologies, Inc.	\$500,000.00


Upon consideration of the facts set forth above, the Board **FINDS** that a recoverable grant of \$499,795 under the Renewable Energy Business Venture Assistance program to the EPV Solar, Inc. Project and recoverable grant of \$500,000 under the Renewable Energy Business Venture Assistance program to the Ocean Power Technologies, Inc. Project are appropriate and a proper expenditure of the ratepayers' funds.

Now, therefore, in accordance with the policy established by the Board and the approval of the Clean Energy Program fund payment policies and procedures, The Board **HEREBY AUTHORIZES** recoverable grants of \$499,795 to EPV Solar, Inc. and \$500,000 to Ocean Power Technologies, Inc. in accordance with relevant terms and conditions herein and in the Department of Treasury approved contracts to be executed by the parties.

The Board **FURTHER ORDERS** that letters under the Board President's signature be sent to the New Jersey Economic Development Authority authorizing its payment of the grant monies to the project developers upon OCE approval of invoiced expenses. The Board **FURTHER ORDERS** that the OCE Director and the Board's Chief of Staff be authorized to approve the payment of invoices when they are received and found to be in order.

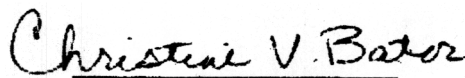
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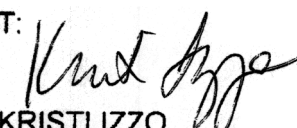
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ATTEST: 
KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities

